

**HON. MARCY KAPTUR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
TUESDAY, MAY 2, 2006**

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Ms. KAPTUR. Mr. Speaker, I hope the American people are paying attention to the massive oil company profits being made off of the pocketbooks of our people. Gasoline prices have gone up 68 cents just since last year per gallon. Gasoline prices are soaring. I left Ohio this morning after casting my vote in the primary election. Gas was \$3 at the pump, and some of the brands were as high as \$3.85 a gallon.

Who are we making rich? ExxonMobil, they are number one. They declared a record quarterly profit of \$8.4 billion, 7 percent more than they made last year. Meanwhile, their chairman, Lee Raymond, is planning on his retirement. His package totals \$400 million when all pension payoffs and stock options are included.

I have often asked myself, what does somebody do with \$400 million? When is enough enough?

Now, this is the same Exxon that has yet to pay the \$4.5 billion in punitive damages awarded in the Exxon Valdez case 17 years ago. They haven't even paid off those they harmed.

Now, not to be outdone, ConocoPhillips said its earnings rose 13 percent, to \$3.29 billion, just in the first quarter of this year.

Now, Chevron Corporation's first quarter profits soared 49 percent, to \$4 billion, as the firm joined the procession of U.S. oil companies reporting colossal earnings.

Meanwhile, constituent after constituent in my district tells me they can no longer afford weekend family trips due to gas prices. People are only filling their tanks up halfway, hoping prices will drop and they will not have to pay these exorbitant prices.

Other companies like Halliburton, think about this. We have a Vice President. He got a tax refund of nearly \$22 million. Halliburton is an oil servicing firm that has gotten so many no-bid contracts from this government related to the war in Iraq and other oil-related expenditures. Come on. Can't we connect those dots? Can't we figure out what's going on here?

Farmers tell me that higher fuel costs mean their already ultra-slim margin of profit is likely to disappear.

Small businesses worry about whether or not they can impose delivery surcharges to make up for higher fuel costs.

Now, all the President of the United States says, listen carefully. He says we have to study this. Hmm. He says we have to study this. We have to study the profits.

Mr. President, we need to do something. The President says that these companies should reinvest their money in energy projects here. But keep in mind that Exxon officials told the staff of the House Energy and Commerce Committee this year that Exxon doesn't intend to spend any money in this country because of flat demand for petroleum products by the year 2030. So the President appears to be some days late and a refinery short.

Something the President could do, using his Presidential authority, is to change the Strategic Petroleum Reserve to a Strategic Fuels Reserve and begin converting this country to non-oil-based fuels. His agriculture bill didn't do that. We put a title IX in the agriculture bill to convert quickly. We can do ethanol and biodiesel right now. But guess who won't sell it? Every one of those oil companies.

Think about the communities you live in. Let's say you buy a Ford Taurus that is an E85, and you can put ethanol in the tank. Unless you are from Minnesota or Iowa, where are you going to buy the fuel? Guess who locks you out at the pump? Every single one of those companies, because they want business as usual.

At some point, we have to do what is right for the country before any single company's interests. This is in the national interest not to have the economy take a nosedive again because of our dependence on imported petroleum.

The other body is contemplating the cute idea of a \$100 tax rebate to every citizen. Well, what does that do about the price of gasoline? What does that do about converting the type of fuel you put in your tank and making America energy independent again? What does this do to end our presidentially decreed addiction to oil from unstable regimes? All it does is it transfers wealth to those very same companies that are locking out the new future for America, the new energy future we needed to embark upon in the last century and, sadly, we did not have the leadership to do it.

Â Â Â So profits are up again. Golden parachutes are being readied. The industry snubs its nose at the consuming public that can't afford these prices. The Bush government says, trust us, let's just study some more. That is all we need to do is study.

Â Â Â Is it any reason the American people are upset? They have a right to be upset. We need leadership in this government. No more followership.

[From The Blade: Toledo, Ohio, Friday, Apr. 28, 2006.]

Quarterly Profit Tops \$8 Billion at Exxon Mobil

ASSOCIATED PRESS

Dallas--Exxon Mobil Corp. posted the fifth-highest quarterly profit for any public company in history yesterday, and with oil prices above \$70 a barrel it could go down as the company's weakest quarter for the year.

Exxon Mobil's first quarter was lower than its record fourth-quarter, when the world's largest oil company reported the highest profits ever for any publicly traded company. And the earnings, which rose 7 percent to more than \$8 billion, still fell short of analysts' estimates.

But, in what is sure to spur the growing furor over outsized energy industry earnings, Exxon Mobil's massive profits may only increase in 2006 as it benefits from rising crude-oil prices and production, analysts say.

"This is only the beginning," said Fadel Gheit, analyst for Oppenheimer & Co. "Let me tell you, it gets better after that. Oil prices will add huge amounts to earnings, at least a billion dollars."

The earnings report comes amid consumer outcry in the United States about soaring gasoline prices, which average \$2.91 a gallon nationwide, or 68 cents higher than a year ago.

It also lands as Washington lawmakers are looking to appease voters with various proposals to make big oil companies pay more taxes or provide consumers with some other relief. But everyone acknowledges that little can be done in the short term to bring down prices.

"If we had a silver bullet, we, would be proposing it to Washington, right now," said Ken Cohen, the company's vice president of public affairs. He said Exxon Mobil was investing a growing portion of its profits in new oil and gas production, and that the company is sympathetic to the added energy-price burden on consumers.

Still, he said consumers and members of Congress need to "take a deep pause and a deep breath" because market forces will eventually bring supply and demand back into balance. He said Congress could help matters longer term by removing barriers to domestic drilling.

The increasing public scrutiny of Exxon arrives less than a month after the news that the company handed its former chairman and chief executive officer, Lee Raymond, a \$400 million retirement package, when all pension payoffs and stock options are included, that sparked headlines across the country and calls in Washington to justify the huge compensation.

In January, Exxon posted the highest quarterly profits of any public company in history: \$10.71 billion for the fourth quarter of 2005 and \$36.13 billion for the full year.

Howard Silverblatt, a senior index analyst for Standard & Poor's, said the latest profit figure still places Exxon fifth historically among quarterly earnings. Exxon also holds the first, second, and fourth spots; Royal Dutch Shell PLC has the third spot.

In the first quarter, net income rose to \$8.4 billion, or \$1.37 per share, from \$7.86 billion, or \$1.22 per share, a year ago. Roughly three-quarters of that profit came from the company's upstream division, which produces oil and natural gas.

Analysts polled by Thomson Financial were looking for a higher profit of \$1.47 per share for the latest quarter.

Analysts and company executives identified two major contributors to coming up a dime short: higher taxes on oil and gas produced abroad and reduced income from Exxon's refining business, which spent heavily on maintenance in the aftermath of last year's hurricanes.